

# Casino rivals take pitches to Springfield

## After showdown in Maryland, MGM and Penn will pitch Western Mass. plans Tuesday

By **Mark Arsenault** | GLOBE STAFF    DECEMBER 10, 2012

Fresh off their brutal political battle over casino expansion in Maryland, rival developers MGM Resorts International and Penn National Gaming will share a stage in Springfield Tuesday, facing the voters who will decide if either company should be permitted to build a gambling resort in the city.

It will be Springfield's first chance to see the contenders side by side since a third competitor, Ameristar, conceded it is unlikely to survive the city's application process and dropped its plans for a Springfield casino. A fourth casino company that had explored a bid in Springfield, Hard Rock International, did not meet the city's application deadline.

Representatives of MGM and Penn each will make 45-minute presentations on their companies and their plans before taking questions from the public. The hearing is one of many hoops that the city is forcing developers to jump through, before Mayor Domenic Sarno decides which project to back or whether to send both to a referendum and possible consideration by the state gambling commission. The hearing is expected to last four to five hours.

The two companies have proposed comparably sized gambling resorts on downtown sites less than a mile apart. MGM announced in August it wants to build an \$800 million gambling and entertainment complex in the city's South End. The next month, Penn, showing a little one-upmanship, announced an \$807 million resort in the city's North End.

What will be intriguing on Tuesday is how each company seeks to distinguish its

proposal without violating the city's command not to publicly trash each other.

MGM and Penn in November concluded a nearly \$100 million battle in Maryland, the most expensive political campaign in the state's history, over a ballot question to expand casino gambling in the state. MGM supported the measure, under which the company has proposed a new Maryland casino just outside Washington, D.C. Penn financed much of the opposition, saying the ballot question left the company — which owns a racetrack in the state — at a disadvantage in bidding to build a new casino; analysts, however, have suggested Penn's opposition was rooted in trying to protect its West Virginia casino from more competition. Maryland voters narrowly approved the expansion.

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\$800 million

The Maryland battle prompted some sharp words, with MGM accusing Penn of spending tens of millions of dollars to sow confusion among the voters.

Clyde Barrow, a casino specialist at the University of Massachusetts Dartmouth, said he will be watching the Springfield hearing for critical details on the projects beyond the bare specifications the companies have released.

“I want to see the length of the build-out,” said Barrow. “Will they be opening in phases” with a gambling floor to open first, “and then a hotel and the amenities to open later?”

Barrow is also curious about what each company projects to collect each year in gambling revenue; he has questioned whether the Western Massachusetts casino market is lucrative enough to support an \$800 million entertainment complex. “That makes me nervous,” he said.

State law sets a \$500 million minimum investment for a casino resort license. The state gambling commission controls three resort licenses; only one of the licenses will be issued in Western Massachusetts. In addition to the Springfield competitors, the operators of Mohegan Sun casino in Connecticut have proposed a gambling resort in Palmer. Two development groups are pursuing casino projects in Holyoke.

MGM's Springfield proposal would be built on three city blocks, including areas damaged by a 2011 tornado. The company intends to keep the original MassMutual headquarters building at the corner of Main and State streets as an office. It proposes

a new, 25-story hotel with spa, pool, and roof deck, some 89,000 square feet of gambling space, about 15 shops and restaurants, a parking garage for more than 3,500 cars, as well as a retail and entertainment district of about 25 shops and restaurants, a movie theater, bowling alley, and an outdoor stage.

Penn National, in partnership with local businessman Peter Picknelly, operator of Peter Pan Bus Lines, plans to build on 13.4 acres near the city's downtown, which would include land now occupied by the offices of The Republican newspaper. Plans call for the paper to be relocated. Penn's resort proposal includes 3,000 to 3,500 slot machines, poker rooms, up to 100 live table games, and a hotel with up to 500 rooms. The company also plans new restaurants, a 5,000-space parking garage, and up to 45,000 square feet of meeting and convention space.

The companies will present their plans at 5 p.m. Tuesday at City Stage, 1 Columbus Center, Springfield.

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